

Provincial Budgets and Expenditure Review

2003/04 – 2009/10



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National Treasury

Republic of South Africa

September 2007

ISBN: 978-0-621-37265-6
RP: 140/2007

This document is compiled with the latest available information from provincial and national departments and other sources. The data for 2006/07 are still to be audited and may thus change.

To obtain copies please contact:

Communication Directorate
National Treasury
Private Bag X115
Pretoria
0001
South Africa
Tel: +27 12 315 5652
Fax: +27 12 315 5993

For any queries, e-mail: Tessa.Schoeman@treasury.gov.za

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Foreword

The *Provincial Budgets and Expenditure Review* is a valuable resource that assists analysts, policy makers, elected representatives, academics and those responsible for implementing government policies in assessing the impact of government policies and the resources allocated to implement them. It supports Parliament and provincial legislatures in assessing progress made in implementing government programmes funded through the equitable share and conditional grants allocated to provinces. The *Review* also assists political office bearers and all South Africans in evaluating future plans for critical services in education, health, social development, housing, agriculture and roads and transport.

This *Review* contains both financial and non-financial information relating to key provincial functions. In a selected number of cases it presents national information for the concurrent functions. While it is evident that the ability of government departments to collect financial data has improved, it must be acknowledged that a lot still needs to be done to improve government's ability to collect and publish non-financial data. Only then will it be possible to fully evaluate the efficiency of spending. Steps are already being taken in this regard.

The Presidency published a set of 72 performance indicators in July this year. We have collaborated in preparing the *Framework for Managing Programme Performance Information* which was published in May 2007. Together, these initiatives should contribute towards improving government's ability to collect, use and publish non-financial information. Because the *Review* is published ahead of the *Medium Term Budget Policy Statement* it will provide some baseline data that can be used in debating the policy proposals for the 2008 Budget.

The expenditure trends in this *Provincial Budgets and Expenditure Review* show that on the back of a carefully managed expansionary fiscal stance provincial expenditure is growing strongly in real terms. Service delivery is accordingly improving and so is access and equity to public services, thus contributing to the progressive realisation of "a better life". The *Review* also identifies certain challenges that will need to be addressed to ensure faster service delivery in the period ahead.

The compilation of this *Review* is a collaborative effort among officials of the National Treasury, national government departments and provinces. I wish to thank them all for their contributions.

Lesetja Kganyago
Director-General: National Treasury

Technical notes

The notes set out below are intended to assist readers and analysts.

General notes on numbers

Data on the seven-year trends set out in this document are drawn from provincial government publications such as financial and budget statements.

The estimated expenditure outcome for 2006/07 is based on pre-audited provincial expenditure data for the period 1 April 2006 to 31 March 2007. Minor changes are expected when final audited statements are published.

Because of the re-demarcated provincial boundaries, the provincial specific data used in the *Review* are not comparable over the whole seven-year period for provinces affected by the demarcation. So the data for the period 2003/04 to 2006/07 are based on the old provincial boundaries, while the data for the 2007/08 to 2009/10 period are based on the new provincial boundaries.

Service delivery information is based on the old provincial boundaries, as reporting on the financial and non-financial performance of provinces goes up to 31 March 2007.

Financial years

A financial year for the provincial and national spheres starts on 1 April and ends on 31 March the following year.

Per capita estimates

Except for instances where it is stated otherwise, estimates of per capita spending are based on Census 2001. Such estimates will be different from those that will be calculated using data from other sources.

Real growth rates

When comparing monetary values from one year to another, it is common to adjust figures for inflation. Real growth rates in this publication are calculated using the CPIX.

Rounding of numbers

Appropriation of funds and reporting of expenditure is done in terms of Rand thousands. The majority of the tables in the publication are in Rand millions. As a result of rounding off, some minor deviations may occur.

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